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FEDERAL JUDGE SENTENCES FORMER HEADMASTER TO FIVE YEARS FOR STEALING NEARLY \$9 MILLION FROM SCHOOL AND AFFILIATED CHURCH

The Defendant Used the Embezzled Money to Fund Lavish Lifestyle

CHARLOTTE, N.C. – U.S. District Judge Max O. Cogburn, Jr. today sentenced the former headmaster of a Huntersville, N.C. area parochial school to 60 months in prison for embezzling nearly \$9 million from the school and its affiliated church, announced Jill Westmoreland Rose, U.S. Attorney for the Western District of North Carolina. Wayne C. Parker, Jr., 57, of Mooresville, N.C., was also ordered to serve three years under court supervision after he is released from prison and to pay \$6,606,463 as restitution in addition to the approximately \$3,000,000 the defendant has already paid.

U.S. Attorney Rose is joined in making today's announcement by John A. Strong, Special Agent in Charge of the Federal Bureau of Investigation (FBI), Charlotte Division, and Chief Cleveland L. Spruill of the Huntersville Police Department.

According to information contained in filed court documents and today's sentencing hearing, from about January 2000 to in or about August 2014, Parker executed a scheme to defraud his employer, a parochial school (School) and its affiliated church (Church), both located in Huntersville, of at least \$9 million, by embezzling Church and School bank funds to pay for his personal expenses and the personal expenses of an unnamed co-conspirator.

Court documents show that sometime after joining the Church in 1991, Parker became volunteer treasurer, giving him access to and control over the Church bank accounts. In 1996, Parker was hired as Headmaster of the School, which was founded in 1994 by members of the Church. As headmaster, Parker was responsible for the administration of the School and its finances and had control over its bank accounts.

According to court documents, beginning in at least 2000, Parker began stealing money from the Church and School and used it to pay for personal expenses. For example, in 2000, when he needed extra money to build a house for his family in Mooresville, Parker stole approximately \$100,000 from the School and Church to complete the project. Over the next 14 years, court documents allege that Parker used School and Church funds to pay for numerous expenses, including, among other things, the purchase of multiple plots of real estate; vacations around the world; luxury vehicles; luxury dining; Carolina Panthers preferred seats licenses; credit card bills;

a boat and jet skis; gold and silver coins; and gifts for family and friends. In 2010, court records show that Parker stole School and Church funds to build a lake front house for approximately \$1.2 million dollars. In order to properly fund the construction, Parker made all the School employees take a 5% cut which he publically claimed was due to tough economic conditions.

According to court records, as part of the scheme to siphon School and Church funds, and to hide his theft, Parker opened approximately 29 checking accounts, obtained 26 credit cards, seven loans, and created nine limited liability companies.

As reflected in court documents, in addition to embezzling funds for his own use, Parker also embezzled School and Church funds at the direction of an unnamed co-conspirator. Court documents allege that beginning in 2000, Parker issued additional paychecks to the co-conspirator above and beyond what he was entitled to by the terms of the co-conspirator's employment. As the scheme progressed overtime, in addition to extra salary checks, Parker used Church and School funds to pay for the co-conspirator's personal expenses, including college tuition, medical bills, taxes, cars, and credit card bills.

As part of his scheme, and to hide his embezzlement activities from the School's governing board, Parker created a false, fraudulent and fictitious document from an accounting firm purporting to be the results of an audit. The document falsely stated that the School had been through a full audit and received an unqualified opinion letter giving the School a clean financial bill of health.

According to court documents, in the summer of 2014, after the Church leadership became suspicious of Parker's activities and called for an independent audit, Parker intentionally stole and destroyed school financial records in an attempt to prevent law enforcement and others from discovering the nature and extent of his embezzlement activities. Additionally, Parker sold one of the houses that he had constructed with embezzled funds to one of his children, for a significantly undervalued price, to hide his crimes and prevent law enforcement from seizing that property. In total Parker's scheme resulted in a loss of at least \$9 million dollars to the Church and School.

In announcing today's sentence, Judge Cogburn stated, "There has been a huge amount of money stolen," and that the defendant's actions were "A concentrated effort over a long period of time," adding that these "Dedicated teachers deserve better than what's happened to them."

Parker will be ordered to report to the Federal Bureau of Prisons upon designation of a federal facility. All federal sentences are served without the possibility of parole.

The investigation was handled by the FBI and the Huntersville Police Department. The prosecution for the government is being handled by Assistant United States Attorney Kevin Zolot of the U.S. Attorney's Office in Charlotte.

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